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Mary Louise Garcia

PGS 2 \$20.00

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Producers 88 (4-89) — Paki-Up With 640 Acres Pooling Provision

PNum:27959.RDB

PAID-UP OIL & GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT IS made this <u>26th</u> pay of <u>January 2011</u>, by and between Benetita R. Cummings, formerly known as Benetita Hamilton and husband, Larry E. Cummings, whose address is 7900 Gladewater Drive, Fort Worth, Toxas 76134, as Lessor, and Chesapeake Exploration, L.L.C., an Oktahoma limited liability company, P.O. Box 18495, Oktahoma City, OK 73154-0496, as Lessee. All printed portions of this lease were prepared by the party bereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee. THIS LEASE AGREEMENT IS made this 26th

In consideration of a cash bonus in hand pold and the covenants herein contained. Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter colled leased premises:

A-7, G. J. Ashabranner Survey: Edgewood Park Addition
0.219 acres, inore or less, situated in the G. J. Ashabranner Survey, Abstract No. 7, Tarrant County, Toxas, known as Lot 19, Block 2, Edgewood Park Addition to the
City Of Fort Worth, Tarrant County, Texas, according to the revised plat recorded in Volume 380-16, Page 319, Plat Records, Tarrant County, Texas, as described in
that certain Warranty Doed dated January 26, 1990, from LIONEL HAMILTON, SR., a single man to BENETNA HAMILTON, a single woman, recorded in Instrument
No. D190049772, Official Public Records, Tarrant County, Texas.

- that contain Warranty Doed dated January 26, 1990, from LIDNEL HAMILTON, SR., a single man to BENETIA HAMILTON, a single woman, recorded in Instrument No. D190040772, Official Public Records, Tarrant County, Texas.

 In the County of Tarrant, State of TEXAS, containing 0.2100 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances will as hydrocarbon guess. In addition to the above-described leased premises, bit leases also cover any small strips or parcels of land now or harastler owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the adox so covered. Here the purpose of determining the amount of any shall strips or parcels of land now or harastler owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the adox so covered. For the purpose of determining the amount of any shall-in royalities hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

 2. This lease, which is a "paid-up" lesse requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereol, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the lesses of rom lands, pooled threetyin or this lesses is subsyntates.

 2. Royalities on oil, gas and other substances produced and savati hereutiver shall be paid by Lessee to Lessor's as follows: (a) For all and other liquid hydrocarbons separated at Lesses's apparator facilities, the morally shall be twenthy-forcent facility of such production, to be delivered at Lesses's option to Lessor in code and gravity. (b) for gas (including cashipheed gas) and all other substances covered hereby, the royally shall be Tyrophy-Percent
- 4. All shuf-in royally payments under this case shall be paid or lendered to Lessor or to Lessor's credit in at Lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessoe's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.
- 5. Except as provided for in Paragraph 3 above. If Lessee drifts a well which is incupable of producing in paying quantities (bereinafter called "dry hole") on the lessed premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lesse is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commerces operations for reworking an existing wett or for trifling an additional web or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 60 days after completion of operations or such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being mainteined in force but Lessee is then engaged in drifting, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lesse shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered horeby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drift such additional wells on the leased premises or lands pooled therewith as a reasonably nuclent operator would drift under the same or similar circumstances to (a) develop the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covernant to drift exploratory wells or any additional webs except as expressly provided herein.
- drainage by any well or wells located on other tands not pooled therewith. There shall be no coverant to drill exploratory wells or any additional wells except as expressly provided herein.

 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Leasee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an cill well which is not a horizontal completion shall not exceed 60 for an oil well which is not a horizontal completion shall not exceed 60 acres plus a maximum acreege tolerance of 10%, and for a gas well or a horizontal completion is only well spacing or density pattern that may be prescribed or permitted by any governmental authority parting jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed or applicable law or the appropriate governmental authority, or, if no definition is so prescribed. The well well "means a well with an initial gas-oil ratio of 100,000 cubic feet per barret and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet prescribed. The production destrochated under normal producing conditions using standard lease separator facilities or equivalent testing equipment, and the term "horizontal completion" means a well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production additing or reworking operations on the leased premises, except that the production on which Less
- date of fermination. Pooling hereunder shall not constitute a cross-conveyance of interests.

 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bervs to the full mineral estate in such part of the leased premises bervs to the full mineral estate in such part of the leased premises.

 8. The interest of either Lessor or Lessoe hereunder may be assigned, devised or otherwise transformed in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties beretunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or entanging the obligations of Lessoe hereunder, and no change to ownership shall be hinding on Lessee with 180 days after Lessoe has been furnished the original or certified or duly authenticated dopies of the documents establishing such change of ownership to the satisfaction of Lessees has been furnished the original or certified or duly authenticated dopies of the documents establishing such change of ownership to the satisfaction of Lessees has been furnished the original or certified or duly authenticated or of the documents establishing such change of ownership to the satisfaction of Lessees has been furnished the original or certified to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties of the tender such shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers is inderest hereunder or involved or in part Lessees shall not affect the rights of Lessee with respect to any interest not so transferred i

- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the Interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or lender shut-in royalties shall be proportionately
- released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalities shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of Ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipellinas, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands during the term of this
- Including well casing, from the leased premises or such other tands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable faws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or fallure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease. Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Le
- purchase the lease or part thereof or interest therein, covered by the offer at the pitce and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lesser has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (atong routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reinburse listle out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event
- whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- 17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of TWO (2) years from the end of the primary term by paying or lendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this 17.
 - This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original,
- DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signalory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) ummings **ACKNOWLEDGEMENT** STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the day of Benetha H. Cummings Notary Public, State of Texas. MORRIS LYNN GENTRY JR. Notary's name (printed): Notary Public Notary's commission expires: STATE OF TEXAS My Comm. Exp. Jul. 28, 2012 STATE OF TEXAS COUNTY OF TARRANT This instrument was acknowledged before me on the day of MARCH , 201 , by Larry E. Cummings Notary's name (printed): Morris Lynn
Notary's commission expires: July 28 MORRIS LYNN GENTRY JR.

Notary Public STATE OF TEXAS My Comm. Exp. Jul. 28, 2012

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